

**BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON DC 20268-0001**

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POSTAL RATE AND FEE CHANGES, 2000

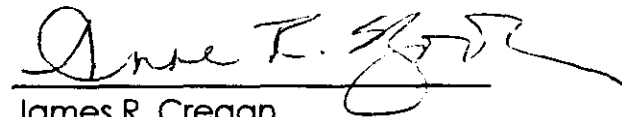
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Docket No. R2000-1

**FIRST SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.
TO USPS WITNESS SMITH
(MPA/USPS-T-21-1)**

(February 8, 2000)

Pursuant to the Commission's Rules of Practice, Magazine Publishers of America, Inc. hereby submits the attached interrogatory to USPS Witness Smith (MPA/USPS-T21-1).

Respectfully submitted,



James R. Cregan
Anne R. Noble
Counsel
Magazine Publishers of America, Inc.
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**INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA
TO UNITED STATES POSTAL SERVICE WITNESS SMITH**

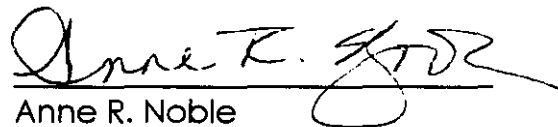
MPA/USPS-T21-1. Please refer to Table 4 from witness Degen's testimony in R97-1 (USPS-T-12) and to Table 1 from witness Van-Ty-Smith's testimony in R2000-1 (USPS-T-17). These two sources give total mailing processing costs by cost pool for 1996 and 1998, respectively. A comparison of these figures shows that the FSM cost pool increased by 41 percent over this two-year period, from \$737 million to \$1.04 billion. Over the same period, the MANF cost pool decreased by 11 percent, from \$515 million to \$460 million. Combining the figures for these two cost pools shows that the total costs for both mechanized and manual flats processing increased by 20 percent, from \$1.25 billion to \$1.50 billion.

- (a) Please provide total flats volumes for 1996 and for 1998, respectively, and further indicate the percentage change in flats volumes over this two-year period.
- (b) Please provide the unit cost for flats processing for 1996 and for 1998, respectively, and further indicate the percentage change in the unit cost over this two-year period.
- (c) If the unit cost for flats processing increased between 1996 and 1998, please explain why this occurred and further explain how any such increase is consistent with a general movement from manual to machined flats processing.
- (d) State what percentage of machinable flats is processed by manual methods and what percentage is processed by machine methods. Please provide figures for 1996, for 1998, and those projected for 2001.
- (e) State what percentage of machinable periodicals flats is processed by manual methods and what percentage is processed by machine methods. Please provide figures for 1996, for 1998, and those projected for 2001.
- (f) State what percentage of machinable First Class flats is processed by manual methods and what percentage is processed by machine methods. Please provide figures for 1996, for 1998, and those projected for 2001.

- (g) State what percentage of machinable Standard A flats is processed by manual methods and what percentage is processed by machine methods. Please provide figures for 1996, for 1998, and those projected for 2001.
- (h) State what percentage of machinable flats is projected to be processed on ASFM 100s in 2001.
- (i) State what percentage of machinable periodicals flats is projected to be processed on ASFM 100s in 2001.
- (j) State the percentage of machinable periodicals flats that could be processed on ASFM 100s in 2001.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with the Commission's Rules of Practice.


Anne R. Noble

Washington, D.C.
February 8, 2000